

Message Text

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PAGE 01 NAIROB 02209 181255Z
ACTION XMB-04

INFO OCT-01 AF-08 ISO-00 EB-08 COME-00 FAA-00 DOTE-00
CAB-02 PRS-01 L-03 /027 W
-----181301 093901 /43
P R 181212Z FEB 77
FM AMEMBASSY NAIROBI
TO SECSTATE WASHDC PRIORITY 6221
INFO AMEMBASSY DAR ES SALAAM

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PASS EXIM

E.O. 11652: N/A
TAGS: EAIR, KE, TZ
SUBJECT: BREAK-UP OF EAST AFRICAN AIRWAYS

REF: NAIROBI 2087

1. EMB HAS BEEN IN FREQUENT CONTACT WITH KENNETH GILL, AFRICA SALES REP FOR MCDONNELL-DOUGLAS, TO DISCUSS BOTH COMMERCIAL SALES OPPORTUNITIES WITH NEW KENYA AIRWAYS AND DISPOSITION OF THREE DC-9'S OWNED BY EAST AFRICAN AIRWAYS. GILL, IN TURN, HAS BEEN IN DAILY TELEPHONE CONTACT WITH MCDONNELL-DOUGLAS HQ IN LONG BEACH. FIRM ALLEGEDLY RECEIVED COMMUNICATION FROM EXIM STATING THAT "EMBASSY" (NO FURTHER IDENTIFICATION BUT ASSUMED TO BE NAIROBI) HAD CABLED WASHINGTON FOLLOWING REPORT: EAA OFFICIAL VISITED EMBASSY AND ASSURED OFFICIALS THAT THERE WOULD BE NO PROBLEM CONCERNING OUTSTANDING CREDIT ON DC-9'S AFTER TRI-PARTY MEETING ON DISPOSITION OF EAA ASSETS.

2. REVIEWING POST FILES ON SUBJECT EAA AND KENYA AIRWAYS, WE ARE UNABLE TO LOCATE ANY SUCH REPORT TO DEPT. OR EXIM. EMBOFF DID SPEAK TO EAA CORPORATION SECRETARY
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IN LATTER'S OFFICE FEB. 15 (SEE REFTEL). DESCRIBING CURRENTLY CONFUSED STATE OF EAA AFFAIRS, SECRETARY COULD NOT GIVE DEFINITE ANSWER TO QUESTION WHAT WOULD HAPPEN TO PHYSICAL ASSETS OF AIRWAYS (INCLUDING FLEET) ONCE HEAD-QUARTERS CLOSED AND STAFF DISPERSED. HE GUESSED THAT EAA MIGHT PASS INTO RECEIVERSHIP OF SOME KIND, TO WHICH CREDITORS COULD PETITION FOR RECOVERY OF OUTSTANDING

DEBTS. EAA MANAGEMENT DUE TO MAKE SOME RECOMMENDATION BEFORE DISBANDING FEB. 22 AND EMB WILL REPORT DEVELOPMENTS.

3. AS REPORTED IN REFTEL, TWO DC-9'S ARE BEING OPERATED IN DOMESTIC SERVICE WITHIN KENYA AND TANZANIA, WITH EAA'S KNOWLEDGE BUT EFFECTIVELY BEYOND ITS CONTROL. EAA MERELY ASSURED ITSELF THAT FLIGHT AND GROUND INSURANCE COVER HAD BEEN MAINTAINED. IN CONVERSATION WITH EMBOFF, KA CHAIRMAN GICHUKI STATED THAT GOK WOULD PICK UP THE BILL ON ONE DC-9. IN EFFORT TO CONFIRM THIS, EMB HAS SOUGHT WRITTEN CLARIFICATION FROM TREASURY PERMSEC RE GOK INTENTIONS TO MEET LOAN OBLIGATIONS AND OBTAIN ADEQUATE INSURANCE COVERAGE ON DC-9 AIRCRAFT PRESENTLY IN KENYA.

4. TRI-STATE FINANCE AND COMMUNICATIONS COUNCIL, AUTHORIZED TO DECIDE APPORTIONMENT OF ASSETS AND LIABILITIES OF EAA HAS POSTPONED MEETING THREE TIMES. THEREFORE, WE WANT TO STRESS THAT EMB SEES NO EASY RESOLUTION TO EAA SITUATION AND IS RELUCTANT TO PREDICT EITHER TIMING OR TACTICS OF FINAL SETTLEMENT.

5. GILL PLANS TO SEE NEW OUTGOING CHIEF EXECUTIVE OF EAA (ALSO NEWLY APPOINTED CHIEF EXECUTIVE OF KENYA AIRWAYS) DONALD DOWNING TO DETERMINE WHAT MAINTENANCE HAS BEEN AND CAN BE ARRANGED FOR TWO DC-9'S ON KENYAN TERRITORY, PARTICULARLY THE PARKED AIRCRAFT NOT IN FLIGHT SERVICE. GILL MAY ALSO GO TO DAR ES SALAAM TO TAKE A LOOK AT THE DC-9 IN TANZANIAN SERVICE, ALTHOUGH HE HEARD VIA A LIMITED OFFICIAL USE

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TANZANIAN CONTACT THAT MAINTENANCE SUPPORT IS BEING PROVIDED BY MOZAMBIQUE AVIATION PERSONNEL. ACCORDING TO GILL MANY OF THE REPLACEABLE PARTS ON DC-9 CAN BE PROVIDED FROM B-737 STORES. GILL WILL KEEP IN TOUCH RE TRAVEL PLANS.

DECON 2/18/78
MARSHALL

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PROCUREMENT, SUPPLEMENTAL AIRLINES, AIRCRAFT SALES
Control Number: n/a
Copy: SINGLE
Sent Date: 18-Feb-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977NAIROB02209
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770058-0803
Format: TEL
From: NAIROBI
Handling Restrictions: n/a
Image Path:
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Legacy Key: link1977/newtext/t19770227/aaaaaxyu.tel
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Message ID: fe9b7cc4-c288-dd11-92da-001cc4696bcc
Office: ACTION XMB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 NAIROBI 2087
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 04-Feb-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3281938
Secure: OPEN
Status: NATIVE
Subject: BREAK-UP OF EAST AFRICAN AIRWAYS
TAGS: EAIR, KE, TZ, EAA-EAST AFRICAN AIRWAYS, EAST AFRICAN AIRWAYS-EAA, MCDONNELL-DOUGLAS
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/fe9b7cc4-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009